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Letter dated 20 April 2004 from the Chairman of the Security Council Committee established pursuant to resolution 1373 (2001) concerning counter-terrorism addressed to the President of the Security Council

I write with reference to my letter of 28 January 2004 (S/2004/95). The Counter-Terrorism Committee has received the attached fourth report from Algeria submitted pursuant to paragraph 6 of resolution 1373 (2001) (see annex). I would be grateful if you could arrange for the present letter and its annex to be circulated as a document of the Security Council.

(*Signed*) Inocencio F. **Arias**
Chairman
Security Council Committee established pursuant to
resolution 1373 (2001) concerning counter-terrorism

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Annex

[Original: French]

Letter dated 19 April 2004 from the Permanent Representative of Algeria to the United Nations addressed to the Chairman of the Counter-Terrorism Committee

On instructions from my Government and further to your letter dated 16 January 2004, I have the honour to transmit to you herewith a supplementary report containing the response to the observations and questions of the Counter-Terrorism Committee concerning the third report submitted by Algeria, on 10 July 2003, pursuant to paragraph 6 of resolution 1373 (2001) (see enclosure).

The Government of Algeria stands ready to provide the Committee with any additional information that it may require or request.

(*Signed*) Abdallah **Baali**
Ambassador
Permanent Representative

Enclosure

Introduction

Since submitting its third national report on the implementation of Security Council resolution 1373 (2001), the Algerian Government has continued to enhance its anti-terrorist legislation. A working group established by the head of Government has drafted a bill on money-laundering and the financing of terrorism. After it is considered at the Government level, the bill will be sent to Parliament for approval.

The bill on combating money-laundering and the financing of terrorism provides for a range of mechanisms and measures to detect, prevent and combat these new types of crimes. The bill establishes in particular the obligation to report any dubious or suspicious operation to the Financial Information Processing Unit. Provision is made for criminal penalties against authorized persons found guilty of negligence, failure to report, failure to file a report or complicity in cases of misappropriation of funds for terrorist or money-laundering purposes.

Article 5 of the bill establishes the basic principle that any financial transaction constitutes a bank operation. This article reads as follows: "Any transfer abroad or from abroad of funds, securities or stocks must be performed by a bank or financial institution."

Any transaction involving amounts fixed by regulations that has not been carried out through banking and financial channels is regarded as an illegal operation of capital flight or money-laundering. Individuals or establishments which have deliberately or involuntarily facilitated such an operation bear criminal liability for their acts.

With the forthcoming adoption of the bill on money-laundering and the financing of terrorism and the incorporation in the Penal Code of new provisions on the suppression of money-laundering, Algeria will have completed its legal framework to deal with all questions related to terrorist activities and large-scale organized crime.

Amendments and changes will be introduced at the legislative and regulatory level as experience is gained in monitoring, investigation and coordination among the agencies concerned.

1. Implementation measures: effectiveness in the protection of the financial system

1.1 The Financial Information Processing Unit, established by decree No. 02-127 of 7 April 2002, is organizing its work with a view to launching its activities. Its chairman and other members, five in number, appointed by presidential decree of 10 February 2004 for a period of four years, have assumed office and developed their programme of work as well as rules of procedure. Installed within the Ministry of Finance, the Unit is an independent agency with legal status and financial autonomy.

1.2 The requirement that banks must report suspicious financial transactions is specified in decree No. 02-127 of 7 April 2002 concerning the establishment of the Unit. Such reports have legal standing and produce legal effects, on the penal level in particular, if the evidence supports the allegations.

The provisions relating to money-laundering will constitute the legal basis for the obligation to report suspicious financial transactions. Under article 19 of the bill, any transaction is considered suspicious if it is performed under unusually complex or unwarranted conditions, or appears to have no economic justification or legal purpose. The same definition is used in article 108 of the 2003 Finance Act.

There are many criteria for determining whether a transaction is suspicious. Algerian banks proceed on the basis of several variants:

- Unprecedented operations in the account history;
- Operations involving unusually high amounts;
- Operations that do not fit within the pattern of the account-holder's activities;
- Fleeting or sporadic operations;
- Large amount received from outside.

The obligation to report a suspicious transaction is a legal requirement. The above-mentioned decree No. 02-127, and articles 19 to 21 of the bill on money-laundering, state specifically that the "banks are responsible for informing the Unit of any situation that arouses suspicion, for the purpose of stemming suspicious transactions, promoting greater transparency and allowing for operations generating financial flows to be traced and measures to be taken to identify persons or entities initiating dubious or suspicious practices and, lastly, establishing responsibility at various levels in situations where the suspicions are confirmed". The obligation to report suspicious operations extends to any transaction that might prove to be wrongful or criminal.

In the event of breach of that obligation, the 2003 Finance Act gives the Unit the legal means of intervening in any circumstance, as banking and professional secrecy cannot be invoked against it. Article 33 of the bill on money-laundering and the suppression of the financing of terrorism stipulates the payment of a fine of between 50,000 and 5 million dinars in such cases, without prejudice to the application of other disciplinary and administrative penalties.

1.3 The Unit has launched an information and awareness campaign with banks, financial institutions and all other parties, whether legal entities or individuals, which are involved in the area concerned, to explain its goals and define future working and cooperative relations. The targeted institutions have been invited to designate their focal points, which will be the intermediaries authorized to collaborate with members of the Unit. The Unit has begun to establish working and cooperative relations with counterparts from other countries.

At the legal and procedural levels, the Financial Information Processing Unit will rely on its own constituent instrument, as well as a broader mechanism upon the entry into force of the act on money-laundering and the financing of terrorism.

1.4 The obligation to identify persons who operate trusts is established in the 2003 Finance Act. Article 16 of the bill [on money-laundering] requires banks and financial institutions to report and make available to the competent authorities any useful information on the identity of their clients, on the understanding that banking and professional secrecy is waived for the monitoring and investigative agencies.

Article 108 of the 2003 Finance Act imposes on all agencies authorized to conduct financial intermediary or similar operations the obligation:

- "To ascertain, on the basis of certified and official documents, the true identity of their usual and occasional clients, of persons on whose behalf such clients are acting when it appears that the latter are not acting on their own behalf";
- "To ascertain, by all legal means, the origin and destination of funds and the outcome of transactions that go through their books."

This statutory procedure is complemented by the internal practices of banks and financial institutions when accounts are opened. The applicant is required to identify himself by means of an identity document and proof of residence. Under certain circumstances, the legal services of banks and financial institutions are contacted to find out about the client's past history.

Article 9 of the bill on money-laundering and the financing of terrorism grants banks, in unclear situations, the right to enquire "by all legal means" about the identity of the true principal or beneficiary.

Lastly article 14 of the bill requires banks to preserve documents relating to the identity of clients and make them available to the competent authorities for a period of five years after the account is closed or the business relationship has ceased.

1.5 The absence of proven cases of money-laundering operations and financing of terrorism using the banking and financial system means that there are no statistics on sanctions imposed against Algerian financial and legal institutions for support of terrorist activities. The partial non-convertibility of Algerian currency and the system of foreign exchange control in force make it difficult to use the Algerian banking and financial system for the benefit of terrorist activities and organizations in Algeria or abroad.

Order No. 96-22 of 17 July 1996 on the suppression of infringements of the law and regulations on foreign exchange and capital transactions made full provision for the question of the financing of terrorism and of criminal activities by categorizing false reports, non-compliance with the obligations to report certain procedures, and lack of the required authorizations, as infringements of or attempts to infringe upon foreign exchange regulations. The importance attached to compliance with transfer procedures may be gauged from article 1 of the order, which highlights the principle that an offender cannot argue that he was acting in good faith.

Article 7 of the order stipulates that, "without prejudice to the criminal liability of its legal representatives, a legal entity governed by private law is responsible for offences committed on its behalf by its agencies or legal representatives".

Order No. 03-11 of 26 August 2003 on money and credit stipulates, in addition to a preliminary investigation, stricter conditions for setting up and establishing banks and financial institutions. Article 80 automatically excludes persons connected with drug trafficking and found guilty of money-laundering or the financing of terrorism from founding such institutions, administering them, directly or through an intermediary, and managing or representing in any capacity a bank or financial institution.

Article 91 of this order requires proof of funds and of their origin in order to establish a bank or financial institution. The initial capital for the establishment of financial institutions must derive from legal activities. Investors and stockholders must be identified.

Article 104 of the same order prohibits any loans by a bank or financial institution to its executives or shareholders and to their immediate relatives. Thus, any possibility of fraudulent or dubious operations has been eliminated.

Under article 12 of the bill on money-laundering and the financing of terrorism, the Banking Commission of the Bank of Algeria regularly monitors banks and financial institutions to check that transactions are legitimate and to uncover suspicious cases. Articles 19, 20 and 21 require all authorized individuals and bodies providing advice on or managing financial transactions, directly or indirectly, to report any suspicious transactions to the Unit.

The bill on money-laundering and the financing of terrorism now being adopted requires the authorities to conduct regular audits to ensure that financial institutions comply with the obligation to submit suspicious transaction reports.

Article 11 of the bill on money-laundering and the financing of terrorism mandates the inspectors of the Banking Commission of the Bank of Algeria, on the basis of on-site inspections as well as through verification of documents, to submit a confidential report to the Financial Information Processing Unit as soon as it discovers a suspicious operation.

Article 12 of this bill provides for bringing disciplinary action, under these conditions, against a bank or financial institution found to have failed to act or exercise proper internal control in respect of suspicious transaction reports.

The Banking Commission ensures that financial institutions have adequate programmes for detecting and preventing money-laundering and the financing of terrorism. The Unit is informed about the outcome of any action taken in that regard.

Banking regulations do not provide at present for the establishment and authorization of remittance agencies in Algeria. Foreign exchange bureaux exist, but in very limited numbers, and they do very little business. These bureaux are subject to banking regulations and auditing of exchanges by the Bank of Algeria.

They are also subject to regular monitoring and inspections by the Bank of Algeria and the Banking Commission.

Banks and financial institutions are audited frequently. Besides external audits by auditors accredited by the board of auditors, the Bank of Algeria carries out continuous inspection missions and in 2001 instituted comprehensive monitoring of the activities of all financial institutions. Frequent and intensified visits by the services of the inspector general's office of the Bank of Algeria made it possible to audit and monitor 35,000 foreign trade operations in 2003.

1.6 Following its ratification, the International Convention for the Suppression of the Financing of Terrorism applies to Algeria in its entirety. Article 18 of the Convention and paragraph 1 (a) of Security Council resolution 1373 (2001) apply to financial intermediaries and other agents authorized to conduct transactions in Algeria. The question relating to the identification of persons, entities and clients of banks was dealt with in relation to question 1.4.

Accountants and other agents engaged in financial transactions also have an obligation to identify their clients and report them to the competent authorities under the same conditions as are envisaged, in particular, under article 108 of the 2003 Finance Act. Financial intermediary or financial operations are subject to identification procedures on the basis of official and certified documents of the true clients. The latter are identified and reported to the Bank of Algeria and other banks and financial institutions during regular transactions and operations for transfer of funds or of capital within the limits set by the law and regulations on foreign trade.

1.7 Neither the above-mentioned order No. 96-22 of 17 July 1996 and order No. 03-11 of 26 August 2003 nor previous legislative and regulatory provisions refer to lawyers and notaries as agents authorized to engage in non-bank or quasi-financial transactions or in foreign trade, on their own behalf or on behalf of their clients. Furthermore, no statutory or legislative provision stipulates a particular role for accountants or other professionals in connection with financial transactions.

The activities of charitable associations are regulated by order No. 77.03 of 19 February 1977. Fund-raising operations by these associations are strictly controlled. When funds are collected within the territory of a *wilaya*, the local authorities are competent to grant or refuse authorization. If the fund-raising extends to two or more *wilaya*, a joint order of the Minister of the Interior and Minister of Religious Affairs establishes the practical arrangements. Only the administrative authorities with territorial jurisdiction are permitted to authorize, under particular conditions, fund-raising by an approved association, of recognized public value, which has first filed a written petition to substantiate the purpose of its request and the goals of its activities and also the identity of the members responsible for fund-raising and the destination of the funds raised. Any offences discovered such as the diversion or use of funds for subversive purposes are covered by penal law and are treated as criminal or terrorist activities. In addition to the penalties incurred by individuals involved in the diversion of funds, the association is dissolved for violating the obligations that regulate the functioning of non-profit organizations.

Authorization of fund-raising is valid for one day only, and house-to-house collections are prohibited. The authority that granted authorization may order an audit of the management of the contributions received. The police are also authorized to undertake an investigation, if necessary, of the management or destination of the funds collected.

Under article 372 of the Penal Code: "Any person who, either by adopting false names or attributes or employing fraudulent tactics ... in order to have sent or delivered to him, or to attempt to have sent or delivered, funds, movable property, bonds, promissory notes or receipts, defrauds or attempts to defraud another person of all or part of his wealth, shall be liable to imprisonment for a period of one to five years and a fine of 500 to 20,000 dinars."

If the offence is committed by a person who has made a public offering of stocks, bonds, notes, shares or securities of any kind, whether of a company or of a commercial or industrial enterprise, the period of imprisonment may be increased to 10 years and the fine to 200,000 dinars.

In the case of crimes characterized as terrorist acts, article 47.3 of the Code of Criminal Procedure authorizes the examining magistrate to conduct or arrange to have conducted by officers of the judicial police any type of search and seizure by

day or by night, anywhere within the national territory. The magistrate has the authority to order any type of preliminary injunction.

1.8 Western Union is the only agency specializing in the transfer of funds which is operating in Algeria. Transfers are made to Algeria through authorized banks and financial institutions, including Algérie Poste, the public agency responsible for the postal service. Western Union is linked with its Algerian partners by a special agreement. Transferred funds may be withdrawn upon presentation of identity documents.

Informal transfers of funds or assets are an activity that takes place outside official circuits and regulatory procedures. The conditions for transfer are regulated by order No. 96-22 of 1996 and act No. 03.01 of 19 February 2003 on foreign exchange operations and transfer of capital to and from other countries.

The mechanisms created to prevent money-laundering or the financing of terrorism are those described and established in banks and financial institutions. Informal transactions are difficult to control. This aspect pertains to criminal activities that fall with the competence of the national police and national gendarmerie.

The two security bodies, whose officers have the status of judicial police officers, operate under the authority of the Prosecutor of the Republic, who has territorial jurisdiction over the suppression of organized crime, terrorism and other subversive activities, counterfeiting and the fraudulent use of funds and financial assets for any purpose whatsoever.

It should be noted that the hawala-type transfers that exist in some countries are not practised in Algeria. Funds transfers remain subject to the legislation and regulations on foreign exchange in force.

Inquiries, investigations and audits conducted as well as judicial information gathered result in criminal proceedings and convictions by the courts of individuals found guilty of such criminal activities.

1.9 The campaign against money-laundering and suppression of the financing of terrorism is being extended in legal terms by the drafting of the bill to prevent and suppress these illicit activities, which will soon be adopted and implemented. The above-mentioned articles 19, 20 and 21 of the bill establish the obligation to cooperate with the Unit.

1.10 In addition to the provisions of article 19 mentioned in the reply to question 1.12, articles 20 and 21 expand the obligation to submit suspicious transaction reports to cover the regulated liberal professions, including lawyers, notaries, auctioneers, accountants, auditors, brokers, customs agents, foreign exchange dealers, stockbrokers, estate agents and dealers in precious stones, antiques and works of art.

1.11 The gathering, dissemination and sharing of information is the key to the success of any investigation and inquiry in connection with the prevention and suppression of money-laundering and the financing of terrorism. In that respect, the Unit and the Bank of Algeria are endeavouring to create the conditions of transparency and efficiency which are necessary to the success of efforts to prevent the use of the banking network for criminal and terrorist purposes.

The ongoing training of State agents is indispensable for the public service to operate properly. Particular importance is accorded to advanced training of the personnel of banks, security services, the gendarmerie and customs as well as to the modernization of equipment and improvement of working conditions. Reforms have been introduced to ensure optimal functioning of the available resources. Beginners', retraining and advanced training courses are regularly organized for officers of the judicial police concerning financial offences related to organized crime and terrorism.

Courses and seminars are led by academics and specialists in law, criminology and financial investigations. Short training periods have also been proposed in the context of cooperation with certain countries and international organizations. The European Union has recently proposed a course in the framework of a programme of support for the modernization of the police.

Responsibility at the juridical level for the suppression of money-laundering and the financing of terrorism requires practical and technical training of agents dealing with this matter, which will now form part of the tasks entrusted to the various security services. These services have an obligation to achieve results in the framework of a broader mission of preventing and combating terrorism and organized crime.

1.12 Algerian law and all the legislative provisions on combating terrorism incriminate terrorist activity in all its aspects. Since the adoption of act No. 95-11 of 25 February 1995 and subsequent measures, the goal has been to criminalize any act directly or indirectly linked to a terrorist undertaking. The draft amendment to the Penal Code makes terrorism an imprescriptible crime in itself, which should be considered as such under all circumstances.

With respect to the financing of terrorism, under Algerian law it is not necessary that the funds should actually be used for the activity to be characterized as criminal. The physical organization of fund-raising and the intention to use funds for criminal and terrorist purposes are sufficient for the individuals involved to be found guilty of terrorist activities either in Algeria or abroad. This is valid even in the event that no act has been committed or attempted, no transfer of funds has been made from one country to another or the funds used are of a legal origin but the goal is criminal. Algerian law focuses at the same time on the evidence, the intent, and the chain of responsibilities, the decisive factor being membership in a terrorist group or the intention to commit a terrorist act.

The offence has all the constituent elements of a terrorist act. The penalties incurred are those stipulated for terrorist crimes.

Article 2 of the above-mentioned bill characterizes the financing of terrorism as an offence as follows: "Any person who, by any means whatsoever, directly or indirectly, unlawfully or deliberately, provides or raises funds, with the intention of using all or part of them to commit crimes and offences characterized as terrorist or subversive acts commits the offence of financing of terrorism."

The bill provides that the collection of funds for the purpose of financing terrorism committed in the national territory or abroad constitutes a criminal offence on condition that the alleged acts are characterized as a criminal offence in the country in which they were committed.

1.13 The question of freezing funds relates to funds and assets that are used to finance terrorism or that are the proceeds of terrorism or money-laundering. Individuals found guilty of the financing of terrorism incur a penalty for involvement in a terrorist undertaking and for the financing of a terrorist activity. The freezing and confiscation of funds and assets involved in the offence are also required in the event that the facts are proven. In such event, the perpetrator or perpetrators found guilty of criminal acts bear sole criminal liability.

Persons acting on behalf of terrorist or criminal groups are treated in the same way, depending on whether they were the perpetrators of terrorist acts or were found guilty of complicity in the financing of a terrorist activity. The sentence of the court covers both criminal prosecution and the freezing of assets.

The bill on money-laundering strengthens the precautionary procedures in respect of the seizure and freezing of assets and gives the Unit the ability to order, for precautionary purposes, for 72 hours, the suspension of any banking operation and the freezing of the bank accounts of any individual or legal entity against which there are strong suspicions of money-laundering or the financing of terrorism.

Furthermore, at the request of the Unit, in accordance with article 18 of the bill, the president of the court may extend the period of 72 hours or order the seizure of the funds, accounts or securities mentioned in the report. The order that gives effect to the request is immediately enforceable.

Article 19 obliges "any individual or legal entity which, at the professional level, carries out or advises on operations involving deposits, exchanges, investments, conversions or any other money transfers to report to the Unit any operation concerning funds apparently derived from a crime or intended for the financing of terrorism. This obligation also involves, under article 20, affiliated financial institutions, insurance companies, foreign exchange bureaux, mutual benefit societies, betting, gambling and casinos.

The freezing of funds involves the funds belonging to individuals responsible for the financing of terrorism without any distinction whatever. Algerian law is concerned with material facts, and the penalties incurred are the penalties envisaged under the Penal Code for acts of terrorism.

1.14 The law is the juridical basis for characterizing acts of terrorism. Act No. 95-11 gives a definition of terrorism, as do provisions of both the Penal Code and Code of Criminal Procedure mentioned in this report and in previous reports sent to the Committee and Sanctions Committee.

Concerning terrorist organizations active in Algeria, the Djaz'ara should be included with the Groupe Islamique Armé (Armed Islamic Group) (GIA), Groupe Salafiste pour la Prédication et le Combat (Salafist Group for Proselytism and Combat) (GSPC) and Djamat Houmat Daawa Salafia (DHDS) on the Sanctions Committee list.

The Djaz'ara is a terrorist organization comprised of Algerians who fought in Afghanistan and then joined the disbanded Front Islamique du Salut (Islamic Salvation Front) (FIS). It is one of the armed units of FIS. Its leaders, who operate from abroad under the name Bureau Exécutif National or Instance Exécutive d l'ex FIS, have publicly called for the murder and assassination of politicians, intellectuals, journalists and civil servants and for the destruction of public and

private property. They have rejected the Act on the restoration of civil harmony, which was designed to establish a legal framework for the return and reintegration into society of terrorists by releasing them from prison or reducing their sentences.

This organization has offices abroad and its members are involved in trafficking in weapons and ammunition and fund-raising to finance terrorist activities in Algeria. The links between this organization and al-Qa'idah have been proven and several of its leaders have been part of or close to the upper echelons of the Taliban.

The following individuals, six Malian nations and one Mauritanian, are taking an active part in terrorist activities carried out by the Groupe Salafiste pour la Prédication et le Combat (GSPC) in Sahelian countries and beyond. In particular, they provided weapons that terrorists from GSPC were meant to have smuggled into Algeria in January 2004. These weapons were intercepted on 23 January 2004 by the Algerian army in the region of Ain Salah in Algerian territory.

The Sanctions Committee has been given this list:

- Lieutenant Colonel Mohamed Abderrahman Ould Meiddou, officer of the Malian armed forces;
- Commander Seidou Safari, officer of the Malian armed forces;
- Ben Salah Osmane, Malian soldier;
- Baba Ould Chouikh, Malian national, businessman in the town of Gao, Mali;
- Mohamed Ould Laouinet, Malian national;
- Mustapha Ould Laouinet, brother of the above, both based in Gao, Mali;
- Abdelfettah Ould Marakchi, Mauritanian national, businessman residing in Nouakchott, born in 1954 in Akloujt, son of Merakchi Ould Ghade and Mounira bint Taleb.

To date, no banks and financial institutions have discovered funds intended for the financing of terrorism or received information on such transactions, including from their foreign partners. There has therefore been no freezing or confiscation of the proceeds of offences.

1.15 Concerning the designation of a terrorist group or organization, legislative decree No. 92.03 of 30 September 1992, as amended and supplemented by legislative decree No. 93.05 of 9 April 1993 as well as article 87 bis of order No. 95.11 of 25 February 1995 of the Penal Code, characterizes as terrorist "any offence against national security, territorial integrity, or the stability and normal functioning of institutions by any action aimed at:

- Spreading fear among the population and creating a climate of insecurity by harming persons morally and physically, endangering their lives and freedom, or damaging their property;
- Impeding freedom of circulation and of movement on transportation routes and occupying public spaces with large crowds;
- Violating symbols of the nation and of the Republic and desecrating burial places;

- Harming the environment, means of communication and means of transport;
- Obstructing the operation of public institutions and the activities of public authorities, freedom of conscience and civil liberties;
- Obstructing the operation of public institutions or harming the life and property of their agents, or obstructing the enforcement of laws and regulations.

Article 87 bis, paragraph 3 of the Penal Code characterizes the following additional activities as terrorist acts:

- Establishment of associations, bodies, groups or organizations aimed at carrying out subversive or terrorist activities;
- Support for, or participation in, the activities of those organizations, in any form whatsoever;
- Advocacy of terrorism, encouragement and financing of terrorist activities;
- Reproduction and dissemination of printed documents or recordings advocating terrorism.

Algeria supports the definition of terrorism set forth in the Conventions of the Organization of African Unity (OAU) and League of Arab States, both of which it has ratified. It is on these legal foundations, and on the basis of investigations by the security services and the judicial authorities, that a terrorist organization is designated as such.

Requests for judicial assistance emanating from foreign Governments are treated in accordance with the provisions of the Algerian Code of Criminal Procedure and the bilateral and multilateral instruments in force. In the event that the intelligence and information requested fall within the purview of cooperation between the judicial police services responsible for suppression of the financing of terrorism and transnational organized crime, the competent services work together, directly or through the International Criminal Police Organization (Interpol), for the purpose of monitoring judicial proceedings.

All requests concerning terrorist acts and activities are handled promptly. In accordance with Security Council resolution 1373 (2001), Algeria has signed agreements on judicial assistance and hopes to be able to finalize the proposals made in that regard with some of its partners.

1.16 Algeria has proposed a series of measures to its partners for the purpose of expanding the political, diplomatic and operational foundations of productive cooperation. Some draft agreements on cooperation have been submitted to certain countries.

1.17 The Counter-Terrorism Committee should take an active part in promoting agreements on cooperation between States. It should urge countries to respond to requests from their partners in that regard.

1.18 The procedure for the ratification of the Protocol for the Suppression of Unlawful Acts against the Safety of Fixed Platforms Located on the Continental

Shelf is under way. The implementation in domestic law of the international instruments relating to terrorism is taking place systematically in accordance with the Algerian Constitution, under which all ratified international agreements take precedence over domestic law.

Counter-terrorism machinery

1.19 The Algerian courts have jurisdiction over terrorist activities in which nationals are involved even if the alleged acts are not directed against Algeria or its interests abroad. With respect to situations in which a foreign national residing in Algeria is accused of having committed a terrorist act abroad, the Algerian courts also have jurisdiction if the legal requirements for criminal prosecution are met. The sentence will be handed down on the basis of the provisions of the Penal Code and the Code of Criminal Procedure concerning terrorist activities. The penalties incurred are those provided for by the law.

The application of the legal principle of "prosecute or expedite" is integrated into Algerian law. Article 588 of the Code of Criminal Procedures gives Algerian courts jurisdiction to prosecute and try any foreign national accused of committing a crime or offence against national security. Article 582 stipulates that any act characterized as a crime committed by an Algerian national outside the national territory may be prosecuted and tried in Algeria. Article 583 provides for criminal proceedings which an offence is committed abroad by an Algerian.

Requests for extradition of foreign nationals residing legally in Algeria are governed by articles 694 et seq. of the Code of Criminal Procedure and by the bilateral and multilateral agreements ratified by the Algerian Government. It should be noted, moreover, that the situation of foreign nationals in Algeria and the conditions for entry and residence are governed by act No. 66.211 of 21 July 1966. Articles 20 et seq. govern the conditions for expulsion and the penalties incurred in the event of violations or reprehensible activities.

The importance that the Algerian authorities attach to issues of extradition, assistance and judicial cooperation has led them to make proposals to their partners to adopt relevant legal instruments. Agreements have been signed and ratified, of which some are being finalized and others are awaiting implementation.

1.20 Algeria remains firmly opposed to the granting of political asylum to wanted terrorists and criminals. The right of asylum is nullified when criminals take advantage of it under false pretexts of their persecution in their countries of origin, where they have contributed directly or indirectly to causing death and destruction among civilian populations.

In some countries asylum laws continue to be exploited by terrorist organizations and individuals directly involved in terrorist acts in their countries of origin, or advocating terrorism, preaching hatred and intolerance and publicly calling for murder. This erroneous interpretation of the right of asylum has led Algeria to issue reservations and sometimes express doubts concerning the willingness of some of its partners to cooperate.

The legal provisions which are in place in Algeria are consistent with the country's commitment to combat terrorism and accord with ratified international instruments such as the Conventions of OAU and the League of Arab States.

1.21 The table below provides available data on persons brought to justice for membership in terrorist organizations.

		Number of cases linked to terrorism			
Year	*Number of persons prosecuted for terrorist acts*	*Establishment of and membership in an armed terrorist group*	*Encouragement and advocacy of terrorism*	*Other breaches of national security*	*Total*
1997	17 678	2 100	949	788	3 837
1998	15 191	1 628	720	390	2 738
1999	12 927	1 033	297	168	1 498
2000	8 538	837	363	294	1 494
2001	3 650	549	160	469	1 178
2002	3 267	845	278	333	1 456
2003	3 398	537	104	208	849
Total	**64 649**	**7 529**	**2 871**	**2 650**	**13 050**

Customs, border and immigration controls

1.22 Border controls, including customs, are essential to national security. Customs has traditionally been responsible for controlling the cross-border movement of cash, negotiable instruments, precious stones and metals. Given that illicit trafficking is very common for such merchandise, there is a need for adequate equipment, painstaking work and solid expertise to thwart such illegal practices. The customs administration has acquired scanners and detection equipment that enable it to meet international standards and play its part efficiently. The training of customs officers in monitoring and surveillance techniques has allowed this body to acquaint itself with and also adapt to the methods used by traffickers and smugglers.

The quantity of precious metals held by persons who enter or leave the national territory is restricted to 100 grams of gold, silver or platinum. For quantities exceeding that weight, a customs declaration is required, accompanied by the standard forms and the necessary authorizations, such as bank certification.

Failure to present documents proving the nature of the transaction results in seizure, that is carried out without prejudice to judicial proceedings.

No restriction on the import of cash is imposed other than a customs declaration, on the basis of a specific form to be filled out by the importer. The export of currency for persons travelling abroad for private purposes is authorized through a bank up to an amount equivalent to 8,000 euros. Businesses, for their part, are subject to another regime that consists of applying to their banks in the context of their commercial activities.

1.23 The legal and administrative procedures developed by Algeria to protect its port facilities, ships and persons working there from the risks of terrorist attacks are provided for through the implementation of internal security arrangements for buildings.

Decree No. 84.385 of 22 December 1984 specifies the measures aimed at protecting installations, facilities, and equipment at ports and airports. Executive

decree No. 94.340 of 25 October 1994 launched the establishment of the National Committee for Port Security and the Committee on the Security of Civilian Commercial Ports. This Committee is the body authorized at the national level to ensure the protection and security of port facilities. It verifies the implementation of measures enacted and of recommendations, including those provided for by relevant international instruments ratified by Algeria.

Other legislative and regulatory measures have been adopted in the light of assessments of the security situation and trends in the volume of traffic of merchandise and persons. Thus, the Commissariat for Port and Airport Security was created by executive decree No. 95.192 of 10 July 1995.

This regulatory text was supplemented by order No. 95.24 of 25 September 1995 on the protection of the public heritage and the security of persons affiliated with it. A decree was adopted to implement the provisions of the above-mentioned order which provides for practical internal security arrangements for port and airport buildings and areas.

Lastly, Decree No. 98.410 of 7 December 1998 establishes ministerial offices for internal security of buildings and defines their functions with respect to the security of property and persons located in them.

To prevent and thwart any internal or external attempt at theft, destruction, damage or attack against installations, facilities or merchandise and personnel working there, strict security rules are in place. Facilities and sites within areas are classified into several categories depending on their importance. A security perimeter is demarcated and put into effect and protection measures are then taken.

Internal and external security of sites is ensured by authorized personnel. According to order No. 95-24, site managers have active and passive means of ensuring security, for which they bear criminal liability.

A national commission on the classification of sensitive sites established under the aegis of the Ministry of Defence is mandated to determine measures to be taken to ensure the security of such sites.

Furthermore, Algeria is a party to the relevant international agreements and is implementing the recommendations of the International Maritime Organization concerning combating acts of terrorism in the maritime sector.

Lastly, with regard to the security of transport infrastructure, the enforcement of the International Code for the Security of Ships and Port Facilities (ISPS), which is at an advanced stage, will be progressively extended to all the country's ports.

Controls preventing access to weapons by terrorists

1.24 The production, import, export and use of firearms are governed by the provisions of order No. 97.06 of 21 January 1997. This legislative text clearly set forth the conditions for the possession of various categories of weapons by individuals and legal entities and provides for penalties of rigorous imprisonment for any illegal possession of firearms.

In accordance with article 87 bis, paragraph 7 of the Penal Code: "Any person who possesses, obtains, carries, markets, imports, exports, manufactures, repairs or utilizes weapons or ammunition without authorization from the competent authority

is subject to a penalty of rigorous imprisonment for a period of 10 to 20 years and a fine of 500,000 to 1 million dinars."

Furthermore, order No. 97.06 of 21 January 1997 grants the State a monopoly over the acquisition, production and import of military weapons of various categories.

Executive decree No. 98.96 of 18 March 1998 sets forth the conditions for granting authorization to individuals or legal entities, excluding those who have been convicted or have committed crimes or offences. Authorization may be withdrawn if it is established that the holder has ceased to fulfil the required conditions or has committed an offence.

Arms brokering activities, registration of brokers and licensing and authorization of brokered transactions, identification of brokers and disclosure of their names in transactions are all regulated.

Moreover, article 22 of decree No. 98.96 requires authorized brokers to maintain a special register that the services of the Ministry of Defence and Ministry of the Interior may consult at any time. An inventory is also required, and any import or export of war equipment is subject to control before it is routed.

The sharing of information with foreign counterparts for the purpose of preventing illegal shipments of firearms and other arms components takes place within the framework of bilateral and multilateral cooperation between the various administrative and security services. The customs services at ports and airports play a crucial role of surveillance and monitoring but also act on information from their counterparts in foreign ports and airports. The cooperation of the various security services located in port and airport areas allows for greater effectiveness and speed in the monitoring of merchandise bound for Algeria or in transit.

2. Assistance and guidance

2.1 Algeria is anxious to maintain working and cooperative relations with the Committee. Its participation in the work of the Security Council will enable it to strengthen that relationship and contribute to the process of revitalization of the Committee.

2.2 Algeria and its partners are discussing programmes of cooperation to be implemented and specific needs in the area of counter-terrorism. The current needs mainly involve:

- The training of 60 managers and police officers in the areas of research, methods, techniques and use of intelligence in order to identify and track the various concealed financial circuits as well as funds and assets of suspicious origin.
- The organization in Algeria and participation of banking and financial managers in specialized seminars and workshops in the area of combating money-laundering and the financing of terrorism.
- A classification system for the design of a specialized training module for officers of the police, customs, justice system, banks and the Unit on investigative techniques in the area of money-laundering and the financing of terrorism.

Algeria has also undertaken consultations with certain countries to determine possible areas of cooperation. It stands ready to make its contribution and work with its partners at the political, diplomatic and operational levels to halt criminal activities of terrorist groups throughout the world.

2.3 Algeria has already mentioned in its previous national reports the countries with which it has signed bilateral agreements. It will inform the Committee of any new agreements it may conclude.

Conclusion

The Algerian Government hopes that it has provided the clarifications requested and given useful details on the new measures taken since the submission of its previous national report.

Directly confronted by transnational terrorism, Algeria acquired at an early stage an arsenal of laws to combat this scourge. It has constantly enhanced this mechanism on the basis of its own experience and in accordance with the international norms in force.

Algerian law now criminalizes all terrorist activities. The penalties incurred are severe and the Algerian courts characterize as terrorist activity any action which contributes directly or indirectly to the commission of such acts. The judicial characterization now extends specifically to money-laundering as well as terrorist undertakings and their links to organized crime.

The law on the prevention and combating of money-laundering and the financing of terrorism and the corresponding amendments that will be made to the Penal Code will supplement the legislative measures instituting monitoring and investigative processes aimed at suspicious banking operations and prevention and suppression procedures.

The Financial Information Processing Unit will have a crucial role to play in that respect. The international contacts that it has already established reflect its willingness to ensure true momentum, and the authorities are resolved to obtain for it all the necessary material and institutional means to accomplish its mission.

The rapid modernization of the customs services and the police stems from the same concern to adapt to international standards.

Nevertheless, Algeria is aware that its own efforts require firm international support.

It is imperative that international cooperation should progress further and produce more specific results on the ground, particularly in the judicial area. The Committee must give greater attention to the legal and political obstacles that persist in this regard: the international community can and must do much more to meet the challenges of international terrorism.

In that regard, Algeria places much hope in the process of revitalization of the Counter-Terrorism Committee, which it has strongly advocated. It is counting, in particular, on more active efforts to implement an essential dimension of Security Council resolution 1373 (2001): the obligation of all countries to cooperate fully and in good faith in all the areas of counter-terrorism.

International efforts to combat transnational terrorism constitute a complex, long-term undertaking, and its success depends on a clear and sustained political commitment from the entire community of nations.